

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Senate Bill 422 be amended to read as follows:

- 1 Page 13, between lines 24 and 25, begin a new paragraph and insert:  
2 "SECTION 13. P.L.192-2002(ss), SECTION 199, IS AMENDED  
3 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002  
4 (RETROACTIVE)]: SECTION 199. (a) This SECTION applies to a  
5 taxpayer that:  
6 (1) was subject to the gross income tax under IC 6-2.1 before  
7 January 1, 2003; ~~and~~  
8 (2) has a taxable year that begins before January 1, 2003, and  
9 ends after December 31, 2002; ~~and~~  
10 **(3) is not subject to the adjusted gross income tax under**  
11 **IC 6-3 in the taxpayer's taxable year.**  
12 (b) A taxpayer shall file the taxpayer's estimated gross income tax  
13 return and pay the taxpayer's estimated gross income tax liability to the  
14 department of state revenue as provided in IC 6-2.1-5-1.1 for due dates  
15 that occur before January 1, 2003.  
16 (c) Not later than April 15, 2003, a taxpayer shall file a final gross  
17 income tax return with the department of state revenue on a form and  
18 in the manner prescribed by the department of state revenue. At the  
19 time of filing the final gross income tax return, a taxpayer shall pay to  
20 the department of state revenue an amount equal to the remainder of:  
21 (1) the total gross income tax liability incurred by the taxpayer for  
22 the part of the taxpayer's taxable year that occurred in calendar  
23 year 2002; minus  
24 (2) the sum of:

(A) the total amount of gross income taxes that was previously paid by the taxpayer to the department of state revenue for any quarter of that same part of the taxpayer's taxable year; plus  
 (B) any gross income taxes that were withheld from the taxpayer for that same part of the taxpayer's taxable year under IC 6-2.1-6.

SECTION 14. P.L.192-2002(ss), SECTION 200, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002 (RETROACTIVE)]: SECTION 200. (a) This SECTION applies to a corporate taxpayer that:

- (1) pays adjusted gross income tax under IC 6-3-1 through IC 6-3-7; and
- (2) has a taxable year that begins before January 1, 2003, and ends after December 31, 2002.

(b) **This subsection applies to a corporate taxpayer that was not subject to the gross income tax under IC 6-2.1 (repealed) before January 1, 2003.** The rate of the adjusted gross income tax imposed under IC 6-3-2-1 for that taxable year is a rate equal to the sum of:

- (1) three and four-tenths percent (3.4%) multiplied by a fraction, the numerator of which is the number of days in the taxpayer's taxable year that occurred before January 1, 2003, and the denominator of which is the total number of days in the taxable year; and
- (2) eight and five-tenths percent (8.5%) multiplied by a fraction, the numerator of which is the number of days in the taxpayer's taxable year that occurred after December 31, 2002, and the denominator of which is the total number of days in the taxable year.

(c) However, the rate determined under this SECTION shall be rounded to the nearest one-hundredth of one percent (0.01%).

(d) **This subsection applies to a taxpayer that was also subject to the gross income tax under IC 6-2.1 (repealed) before January 1, 2003. The total tax liability of the taxpayer under IC 6-2.1 (repealed) and IC 6-3-1 through IC 6-3-7 for the taxable year is the amount determined in STEP SEVEN of the following formula:**

**STEP ONE: Determine, under IC 6-3, an amount equal to the product of the adjusted gross income derived from sources within Indiana of the corporation multiplied by an adjusted gross income tax rate of three and four-tenths percent (3.4%).**

**STEP TWO: Multiply the STEP ONE amount by a fraction, the numerator of which is the number of days in the taxpayer's taxable year that occurred before January 1, 2003, and the denominator of which is the total number of days in the taxable year.**

**STEP THREE: Determine the amount of gross income tax that would be payable under IC 6-2.1-2-2 in the taxable year if 6-2.1-2-2 had not been repealed by P.L.192-2002(ss) for**

gross receipts received before January 1, 2003.

**STEP FOUR:** Determine the greater of the STEP TWO amount or the STEP THREE amount.

**STEP FIVE:** Determine, under IC 6-3, an amount equal to the product of the adjusted gross income derived from sources within Indiana of the corporation multiplied by an adjusted gross income tax rate of eight and five-tenths percent (8.5%).

**STEP SIX:** Multiply the STEP FIVE amount by a fraction, the numerator of which is the number of days in the taxpayer's taxable year that occurred after December 31, 2002, and the denominator of which is the total number of days in the taxable year.

**STEP SEVEN:** Determine the sum of the STEP FOUR amount and the STEP SIX amount.

(e) The one thousand dollar (\$1,000) basic deduction (IC 6-2.1-4-1 (repealed)) and the resource recovery system depreciation deduction (IC 6-2.1-4-3 (repealed)) for the tax imposed under IC 6-2.1 (before its repeal) for the final taxable year of the taxpayer is equal to the deduction computed under IC 6-2.1 (repealed) for the taxpayer's full taxable year under the Internal Revenue Code multiplied by a fraction. The numerator of the fraction is the number of days in the taxpayer's taxable year that the taxpayer was subject to gross income tax before January 1, 2003, and the denominator is the total number of days in the taxable year under the Internal Revenue Code for purposes of federal income taxation.

(f) The department of state revenue may prescribe forms and procedures for reconciling the returns and tax due under P.L.192-2002(ss), SECTION 200 before the enactment of this amendment and the returns and tax due under P.L.192-2002(ss), SECTION 200, as amended by this SECTION. The procedures may include procedures for granting an automatic extension for filing some or all returns due before April 16, 2003, under P.L.192-2002(ss), SECTION 200 before the enactment of this amendment."

Renumber all SECTIONS consecutively.

(Reference is to ESB 422 as printed March 21, 2003.)

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Representative Koch